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Review of the efficiency of the administrative and financial functioning of the United Nations

Report on the activities of the Office of Internal Oversight Services

Report of the Board of Auditors on the activities of the Procurement Task Force

Note by the Secretary-General

Pursuant to paragraph 5 of General Assembly resolution 62/234, the Secretary-General has the honour to transmit herewith the report of the Board of Auditors on the activities of the Procurement Task Force for the period from 1 January 2006 to 30 June 2007.

* A/63/150.

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Letter of transmittal

30 June 2008

I have the honour to transmit to you the report of the Board of Auditors on the activities of the Procurement Task Force for the period from 1 January 2006 to 30 June 2007.

(*Signed*) Philippe **Séguin**
First President of the Court of Accounts of France
Chairman, United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York

Report of the Board of Auditors on the activities of the Procurement Task Force

Summary

In its resolution 62/234, the General Assembly requested the Advisory Committee on Administrative and Budgetary Questions to request the Board of Auditors to conduct an audit of the activities of the Procurement Task Force for the period from 1 January 2006 to 30 June 2007 including its compliance with established transparency and accountability measures of the Organization and the Office of Internal Oversight Services, and to report thereon separately to the General Assembly at the main part of its sixty-third session.

The present report is submitted in response to the request of the General Assembly.

Creation and composition

The Procurement Task Force was initially created for a fixed period of six months under authority of a letter of the Under-Secretary-General for Internal Oversight Services dated 12 January 2006 "to address fraud and corruption in the procurement function in the United Nations, both at Headquarters and in the various peacekeeping missions" (see A/62/272, summary). The mandate of the Task Force was later extended to 31 December 2007.

The Procurement Task Force team was set up in January 2006 and originally chaired by the head of a unit of the European Anti-Fraud Office. The current chairman of the Task Force is a former United States federal prosecutor. Since its inception, the vast majority of the members of the Task Force have been recruited from outside the United Nations and have come from 14 Member States. The Procurement Task Force was characterized by a rapid turnover of staff due to its temporary nature, which was detrimental to the continuity of some initiatives undertaken.

Resources

The resources of the Procurement Task Force, which the Board examined, do not warrant particular comment. Its level of funding remains moderate; it has not spent its entire allocated budget, which has been closely managed by the Executive Office of the Office of Internal Oversight Services.

Results

The initial focus of the Procurement Task Force was the handling of the case of eight officials placed on special leave. Its investigations led to three of the eight officials being cleared of wrongdoing. It also brought to light one serious case, which resulted in a lengthy prison sentence.

During the 18-month period ending 30 June 2007, the Task Force completed 63 investigations and issued 22 reports. As at 15 March 2008, the Task Force had published 25 reports that dealt with more than 40 contracts, and had completed 142 of the 432 cases in its portfolio, while the remaining 290 had yet to be examined.

These efforts did not expose widespread corruption at the United Nations, but the existence of the Task Force may have served as a deterrent. It also helped to eliminate undesirable suppliers from the United Nations list of vendors.

As at the end of March 2008, the Administration estimated the overall value of the contracts in which irregularities had been suspected to be around $630 million. The actual value of the losses incurred was difficult to calculate. The Administration was only able to identify clear losses of $25 million, of which $20 million related to the same person.

The Procurement Task Force recommended legal action in 13 cases; at the time of the audit, legal action had been taken in 5 of those cases. The Board was unable to ascertain whether the lack of additional cases of litigation was due to a difference of opinion between the Administration and the Procurement Task Force, or to necessary delays in the launching of such actions. Moreover, in some instances, the Office of Legal Affairs estimated that the cost of the procedures proposed by the Procurement Task Force was in excess of the sums that the United Nations could expect to recover.

While it detected some instances of criminal conduct, the Procurement Task Force uncovered many more examples of mismanagement, some of which did not constitute violations of the United Nations regulations. According to the Board, this result, together with the fact that the Task Force was put in charge of a large number of cases, reinforces the need for the Administration to clearly and strictly define the conditions under which an investigation should be launched.

While recognizing that the United Nations needs a highly efficient investigation mechanism, the Board is of the view that an investigation procedure must not be used routinely to improve accountability and efficiency in the management of services.

Methods

The Procurement Task Force used standard investigation methods. As an entity of the Office of Internal Oversight Services, it had to comply with rules of procedure set by the Office relating to investigations. It also decided in conjunction with the Office of Legal Affairs to apply additional rules of procedure that increased the rights of staff under investigation.

In accordance with the request of the General Assembly, the Board examined the compliance of the Procurement Task Force investigations with those rules and, in particular, those that protect due process. The Board conducted its review according to an audit methodology that, in essence, only gives a reasonable level of assurance regarding the regularity of a system using the examination of samples and does not allow the review of every individual case of presumed irregularities. Beside these methodological limitations, the Board emphasizes that it has no jurisdiction to hear individual cases of possible violations of due process and that the conclusions contained in the present report do not prejudge the assessments of courts called upon to hear such cases. In the light of the aforementioned limitations, the Board did not uncover any violation by the Procurement Task Force of the investigation rules established by the Organization and the Office of Internal Oversight Services, including those ensuring due process, in the cases it examined.

Nevertheless, the investigations conducted suffered as a result of the circumstances under which the Procurement Task Force was created and then operated. The circumstances were characterized, on the one hand, by the willingness of the Secretariat to adopt emergency measures and, on the other hand, the media coverage given to certain cases. Those conditions were not conducive to a smooth investigative process, neither for the investigators, nor the staff under investigation. The investigative functions of the United Nations must now be standardized in the interest of the effectiveness of procedures and the protection given to the persons under investigation.

Finally, and of particular importance, during the investigations the boundaries between an investigation, an audit and a disciplinary procedure were not always very clear to the staff under investigation.

Formalization of rules

With a view to dealing with a number of criticisms from staff interviewed between mid-2006 and April 2007, the Procurement Task Force has gradually added rules that were more favourable to the persons being questioned. However, there was never a formalized, validated synthesis of all the new rules. While the Office of Internal Oversight Services Manual, which was recorded in official United Nations documents, was easily accessible, the new rules set by the Task Force had not been made official and were therefore less accessible.

Recommendations

In the light of the Board's analysis of the operations of the Procurement Task Force as contained in the present report, the temporary nature of the Task Force and in view of the decision of the General Assembly, in its resolution 62/234, to conduct an overall review of the capacity of the Investigations Division of the Office of Internal Oversight Services of the Secretariat, the Board recommends that the Administration:

(a) **Incorporate into the permanent investigations system of the United Nations the skills and competencies of the Procurement Task Force, as well as the lessons learned from its operations;**

(b) **When implementing the recommendation above, review the investigative function in the United Nations as a whole;**

(c) **Use the investigation procedure very cautiously, only when there are well-founded suspicions that rules have been broken and only after all other reasonable actions (managerial decision, audit, etc.) have been duly envisaged;**

(d) **Standardize and consolidate the rules and procedures applicable to all investigations in the United Nations under an instruction of the Secretary-General, which should be systematically given to the staff interviewed;**

(e) **Ensure a proper handing over of pending investigations when the Procurement Task Force ceases to operate.**

Contents

		Paragraphs	Page
	Letter of transmittal		2
A.	Introduction	1–13	7
	1. Context	1–8	7
	2. Board's methodology	9–13	8
B.	Resources of the Procurement Task Force	14–30	9
	1. Budget	14–17	9
	2. Human resources	18–30	9
C.	Results	31–51	11
	1. Programme	31–32	11
	2. Work and conclusions of the Procurement Task Force	33–42	12
	3. Nationality analysis	43–44	14
	4. Financial implications	45	15
	5. Follow-up on Procurement Task Force investigations	46–50	15
	6. Sanctions on vendors	51	15
D.	Procedures	52–88	16
	1. Rules applicable at the outset	52–57	16
	2. Enhancement to the rules of procedure	58–60	17
	3. Implementation of the rules	61–63	18
	4. Analysis of criticisms of compliance with due process	64–86	18
	5. Communication and respect for confidentiality	87–88	22
E.	The future of the Procurement Task Force	89–90	22
F.	Recommendations	91	23
G.	Acknowledgements	92	23
Annex			
	Terms of reference of the Procurement Task Force		24

A. Introduction

1. Context

1. The Under-Secretary-General for Internal Oversight Services created the Procurement Task Force on 12 January 2006. The Task Force was to constitute an effort in addition to steps taken to date by the Investigations Division of the Office of Internal Oversight Services in the fight against fraud and corruption in procurement. This was a priority for the United Nations, confronted as it was at the time by the crisis of confidence resulting from the mismanagement of the oil-for-food programme, a crisis that in particular had led to the arrest and sentencing of a former United Nations procurement official.

2. The implementation of the Procurement Task Force, therefore, was in response to a need for rapid, effective action. It allowed the Administration to show its determination to deal with fraud and corruption in an energetic and effective manner. The context of the inception of the Procurement Task Force and, later on, of its activities, was also characterized by the media coverage given to certain cases handed over to the Task Force.

3. The Task Force was created as an ad hoc unit with a limited mission in terms of duration. Originally, the Task Force was intended to operate for six months, but its mandate was later extended to 31 December 2007. At the outset, the chairmanship of the Task Force was entrusted to a non-United Nations personality who had recognized international credibility and who had been head of a section of the European Anti-Fraud Office.

4. The Procurement Task Force is not part of the Investigation Division of the Office of Internal Oversight Services, but it reports directly to the Under-Secretary-General for Internal Oversight Services.

5. The mandate and terms of reference of the Procurement Task Force were set out in a letter dated 12 January 2006 signed by the Under-Secretary-General for Internal Oversight Services (see annex). According to that letter, the mission of the Task Force was to investigate or re-investigate all closed, existing and new cases, matters or allegations concerning procurement.

6. Originally, the working group which preceded the Task Force consisted of only six investigators. However, the number of cases to be processed was so large that the Under-Secretary-General decided, in her letter containing the terms of reference, that the Task Force would expand to include around 18 investigators and 2 support staff. At the time of its inception, the Procurement Task Force was entrusted with the cases of eight United Nations officials implicated in a report published by the Office of Internal Oversight Services (AP/2005/600/20 dated 19 January 2006) and who had been placed on special leave with pay. The Task Force then dealt with irregularities in procurement in several peacekeeping operations (the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC), the United Nations Mission in the Sudan (UNMIS) and the United Nations Stabilization Mission in Haiti (MINUSTAH), etc.) as well as cases of fraud, wasteful expenditure and corruption at United Nations Headquarters.

7. As it became apparent that the Procurement Task Force would not complete its caseload before the end of its term on 31 December 2007, the Under-Secretary-General for Internal Oversight Services proposed to the General Assembly in

November 2007 that the Task Force's mission and funding be extended by one year. In his report (A/62/520), the Secretary-General indicated that the extension would be funded "to the extent possible" by redeployment within the budget of the Office of Internal Oversight Services — as had been the case from the inception of the Procurement Task Force — and that, consequently, no additional appropriation would be needed.

8. In its resolution 62/234, the General Assembly endorsed the recommendation of the Advisory Committee on Administrative and Budgetary Questions that the Assembly take note of the interim arrangements proposed by the Secretary-General in document A/62/520 to extend the activities of the Task Force up to 2008. In the same resolution, the General Assembly requested the Advisory Committee to request the Board of Auditors to conduct an audit of the activities of the Procurement Task Force for the period from 1 January 2006 to 30 June 2007, including its compliance with established transparency and accountability measures of the Organization and the Office of Internal Oversight Services.

2. Board's methodology

9. The Board conducted its audit using a variety of approaches. It sent the Procurement Task Force a general questionnaire covering the main points of the issue. For its part, the Task Force supplied the Board with a significant number of documents that allowed valuable work to be done off site in advance.

10. The Board read the 22 final reports issued by the Procurement Task Force in the period between 1 January 2006 and 30 June 2007 a list of which is contained in the annex to document A/62/272. It selected 7 of those reports, with the objective of creating a representative sample that could be used to examine diverse situations in detail (peacekeeping operations, the management of units of the Secretariat, larger sums, smaller sums, etc.). For those seven reports, the Board examined the activities and results of actions taken and had conversations with members of the Procurement Task Force. The Board also mentioned those cases during its high-level interviews with the Administration and with the Under-Secretaries-General for Internal Oversight Services, Management, Legal Affairs and Peacekeeping Operations, respectively. The Board also conducted interviews with numerous other high-ranking officials of the Secretariat.

11. The Board also collected comments from certain staff who had been implicated and most of whom had been cleared by the Procurement Task Force. In some cases, their comments were made in writing, and in others, during ad hoc interviews. In some cases, the Board was contacted by the interested parties, while on other occasions, the Board itself established contact in a bid to broaden the sample of persons interviewed. Total confidentiality was assured in all cases.

12. In accordance with regulation 7.5 of the United Nations Financial Rules and Regulations, the Board also analysed the Task Force's use of human and financial resources, as well as its compliance with the administrative and management rules of the United Nations.

13. Finally, throughout the course of its verifications, the Board requested additional information. Without exception, all of these requests were met and the Board acknowledges the effective cooperation given by the staff and management of the Procurement Task Force.

B. Resources of the Procurement Task Force

1. Budget

14. Table 1 sets out the budget and expenses of the Task Force for 2006-2007, updating data contained in the report of the Secretary-General entitled "Resource requirements for procurement investigations" dated 14 November 2007 (A/62/520).

15. The Procurement Task Force budget is monitored and managed by the Executive Office of the Office of Internal Oversight Services.

Table 1
Estimated requirements and expenditure of the Procurement Task Force in 2006-2007
(Thousands United States dollars)

Expenditure item	*Estimated requirements*	*Expenditure*			*Unspent balance*
		2006	*2007*	*Total*	
Other staff costs	5 788.3	1 964.9	2 604.6	4 569.5	1 218.8
Travel	768.2	417.0	208.7	625.7	142.5
Consultants	369.2	237.1	107.9	345.0	24.2
Contractual services	2 203.7	698.6	706.2	1 404.8	798.9
General operating expenses	1 028.5	364.1	621.6	985.7	42.8
Furniture and equipment	59.4	7.7	39.4	47.1	12.3
Supplies and materials	82.0	51.4	17.5	68.9	13.1
Total	**10 299.3**	**3 740.8**	**4 305.9**	**8 046.7**	**2 252.6**

Source: Office of Programme Planning, Budget and Accounts.

16. In 2006 and 2007, Task Force expenditure was less than its overall allocated budget for almost all types of expenditure. The reduction in travel costs in 2007 compared to 2006 was the result of fewer trips, which in turn was largely due to difficulties with access to certain countries during the year. The absence, in table 1, of telecommunication expenses in 2006 was due to the late transmission (in 2007) of invoices for services received in 2006 and the carrying forward of those costs to 2007.

17. Since the beginning of the Procurement Task Force, at the request of the Controller, the budget allocation was split between the regular budget and the peacekeeping budget based on the actual number of cases dealt with by the Task Force. In 2006-2007, 85 per cent of funding came from the peacekeeping budget and 15 per cent from the regular budget.

2. Human resources

18. The letter dated 12 January 2006, from the Under-Secretary-General for Internal Oversight Services, containing the terms of reference of the Procurement Task Force, stipulated that the leader of the Task Force would report directly to her and that two members of the Investigations Division would be assigned to the Task

Force until 30 March 2006. The letter also stipulated that the Task Force would handle its own recruitment of around 18 persons.

19. The first leader of the Task Force was seconded from the European Union, and from April 2006, he was assisted by his future successor. It took some six months for the Task Force to have its full complement of 21 investigators, in August 2006. The current number of investigators stands at 15, for reasons that are explained later.

20. The training and experience of the members of the Procurement Task Force focus on law, finance and investigation and most of them have a doctorate and are experienced magistrates and/or lawyers. Six of the Task Force members participated in the investigations into the oil-for-food scandal, while two have considerable police experience in combating financial crime.

21. All but two of the investigators were recruited from outside the Office of Internal Oversight Services, and most of them from outside the United Nations.

22. Looking beyond the United Nations structure as a source for most of its investigators meant that the individuals recruited had competencies that the United Nations lacked up to that point. However, this also presented a challenge, in that sourcing staff externally may have resulted in a lack of understanding of the actual conditions under which the United Nations conducts its peacekeeping operations.

23. The team of investigators had consisted of individuals from 14 countries. However, the Board observed that the geographical diversity of the Task Force had diminished over time (more than one third of the members are now from North America), in particular due to the temporary nature of the team. Indeed, the contracts offered appeared to be each time less attractive to non-residents as the activities of the Task Force drew closer to their conclusion.

24. Staff turnover was very high: of the 31 managers who had been part of the team during its two years of existence, 15 had left, 7 of them after less than one year of service.

25. The temporary nature of the Task Force hindered the implementation of common and consistent investigative methods. It also led to the persons under investigation being brought face-to-face with investigators who changed frequently and hence were not always familiar with the cases.

26. This was to the detriment not only of the retention of knowledge within the Task Force but also to its credibility in the eyes of the staff under investigation. One staff member, for example, had been interviewed three times by a team of two investigators. However, over the course of the interviews, the composition of the team had changed so frequently that only one investigator had been in attendance at two of the three meetings. Another implicated staff member had been interviewed seven times over the course of 18 months by seven teams, all comprising different investigators; the first three interviews had been conducted by a completely different team each time.

27. While in some cases this diversity of representatives was explained by the fact that persons implicated were under investigation for two separate matters simultaneously, in other cases the main reason was the replacement of team members.

28. The Secretariat did not fund the ongoing training of Task Force members, as they were governed by temporary contracts. To rectify this situation, the Task Force organized in-house training in areas of common interest — such as interview methods, the drafting of reports and the uncovering of evidence — and benefited from free training and participation in two externally held seminars in exchange for taking part in the running of those seminars. Moreover, investigators who were members of a bar association could continue to receive the training provided.

29. It would have been more efficient to fund the training of the team, in view of the expectation of rapid results. Despite their experience, Task Force members needed to receive support to introduce consistency to their methods and to learn about the organization in which they were to function.

30. Procurement Task Force staff members were given an annual evaluation interview, at which time their objectives for the year were set (using e-PAS). At the time of the audit, all staff had had their annual interview, the exception was the head of the Task Force for whom it was due by the end of April 2008.

C. Results

1. Programme

31. The initial mandate set out in the terms of reference that gave rise to the Procurement Task Force in January 2006 formally transferred to it all investigations relating to procurement operations that were a part of the portfolio of the Office of Internal Oversight Services at the time. Priority was given to the examination of cases that had prompted the Secretary-General to place eight United Nations officials on special leave with pay. In 2006-2007, 340 cases were handed over from the Office to the Procurement Task Force. A further 92 cases came from other services or agencies of the United Nations including the Task Force itself during its own investigations or upon whistle-blowing.

Table 2
Origin of cases handed over to the Procurement Task Force

Origin of cases	*2006*	*2007*	*Total*
Office of Internal Oversight Services	269	71	340
Other services (including the Procurement Task Force)	48	44	92
Total	**317**	**115**	**432**

Source: Procurement Task Force.

32. According to the terms of reference of 12 January 2006, the criteria for selecting the subjects would be "criminality, financial impact, damage to the reputation of the Organization and other assessment factors, as per the risk assessment profile". The Task Force had to provide the Under-Secretary-General for Internal Oversight Services with a "strategic plan" by 17 February 2006 that

included a list of priority areas, an estimate of the corresponding volume of work and the expected dates for the submission of interim reports. The Procurement Task Force also had to prepare a monthly report, providing an up-to-date account of each investigation in progress. Those documents were issued in 2006, and then their preparation ceased in 2007. Besides, weekly management meetings were held in 2006 between the Deputy Secretary-General, the Under-Secretary-General for Internal Oversight Services, the head of the Procurement Task Force and his deputy, along with Under-Secretaries-General or their representatives from other departments (the Office of Legal Affairs, the Department of Peacekeeping Operations and the Department of Management). In 2007, similar follow-up meetings were held, albeit less frequently.

2. Work and conclusions of the Procurement Task Force

33. The results of the work of the Procurement Task Force for the period between January 2006 and mid-2007 are summarized as follows:

Table 3
Statistics on the activities of the Procurement Task Force from 1 January 2006 to 30 June 2007

Item	*Number*
Investigations	63
Reports	22
Persons placed under investigation	26
Companies cited for questionable conduct	25

Source: Procurement Task Force.

34. The Board also analysed statistics on violations uncovered in the reports. In assessing those statistics, which appear in table 4 below, the following must be taken into consideration:

(a) In some instances, the same staff member or the same company may have committed several violations;

(b) Many staff members and companies were under investigation for several reasons, such as a failure to comply with staff rules and a failure to comply with financial rules and regulations;

(c) Three of the staff members under investigation had committed violations of the same nature and, as a result, were counted several times.

Table 4
Violations exposed in the reports and legal or disciplinary proceedings

Type of violation and proceedings	*Number*
Violations	
Penal violations	11
Failure to comply with United Nations financial rules and regulations	16
Failure to comply with United Nations staff rules	23
Failure to comply with United Nations Procurement Manual	19
Proceedings	
Legal proceedings completed or in progress	8
Disciplinary proceedings completed or in progress	17

35. As indicated above, investigations relating to the eight officials placed on special leave with pay were given priority treatment. Nine reports were published on those specific investigations, which resulted in the following decisions:

(a) Three staff members were cleared of any wrongdoing and subsequently awarded compensation ranging from 18 to 24 months' pay;

(b) Four staff members were reinstated after their special leave, ranging from seven to ten months for three of the staff members, and two years for the fourth staff member. In some cases, the staff members were placed in positions that were completely unrelated to their previous activities. One staff member was placed on special leave with pay again after new information came to light. Two of the four officials who were reinstated without compensation were reprimanded by the Secretary-General who then withdrew the reprimand;

(c) One official was charged by a United States federal court with criminal offences, bribery and corruption and sentenced to an eight-year term as at the time of the Board audit.

36. Further clarification can be provided about the cases of these officials:

(a) The decision to place them on special leave with pay was made before the creation of the Procurement Task Force. That decision was based on suspicions in a climate characterized by the urgent fear of a scandal involving procurement by the United Nations;

(b) The official who appeared in court and was sentenced after the Task Force's investigation had been previously cleared of any wrongdoing by the Investigation Division of the Office of Internal Oversight Services.

37. As at 15 March 2008, the Task Force had published 25 reports that dealt with more than 40 contracts, and had completed 142 of the 432 cases in its portfolio, while the remaining 290 had yet to be examined.

38. The Procurement Task Force aims to give the arguments developed in its reports a strong foundation, in particular by making numerous references to the sources on which they are based. The methodology used to prepare the reports consists of several readings intended to ensure their quality. First, the draft report is split among several investigators who have not played a role in its initial

preparation. The report is then reread in full by a specialist investigator who was not involved in its preparation. Finally, the report is reviewed by the head of the Procurement Task Force, and then submitted to the Under-Secretary-General for Internal Oversight Services for her consideration.

39. As shown in table 5 below, the investigations varied greatly in terms of duration. On average, each investigation lasted approximately eight months.

Table 5
Duration of investigations that led to reports issued between 1 January 2006 and 30 June 2007

Duration of investigations	*Number of reports*
3 months or less	1
3-6 months	8
6-9 months	7
9-12 months	0
12-15 months	4
15-18 months	0
over 18 months or unfinished	2
Total	**22**

40. Most of the cases relating to the eight officials placed on special leave with pay in January 2006 were dealt with first, and the related reports had been submitted during the summer of the same year. The case which had already been the object of a report by the Investigations Division of the Office of Internal Oversight Services was therefore already documented and was re-examined in less than four months. However, the conclusions reached by the Procurement Task Force contradicted earlier findings by the Investigations Division — and have since been confirmed by the courts.

41. While some investigations may have been hindered by the frequent replacement of investigators, the lengthy duration of investigations was, in general, due to the complexity of the matters being investigated, the strict respect for due process, and the need to ensure that the results of the investigations had indisputable foundations.

42. This inevitable lengthy duration of investigations is another factor that should lead the Administration to limit the use of investigations to those cases in which they are justified due to specific elements and what is at stake.

3. Nationality analysis

43. The nationality analysis of the 29 staff members under investigation by the Procurement Task Force revealed that the three countries with the greatest representation were the United States of America (seven staff members, or 24 per cent of the total), the United Kingdom of Great Britain and Northern Ireland and New Zealand (three nationals, or 10 per cent each). Four countries had two nationals

each (7 per cent) under investigation. No other country had more than one national under investigation.

44. As for the vendors under investigation, the most represented countries were: the United States (26 per cent), the Democratic Republic of the Congo (13 per cent), Italy, Canada, the Russian Federation and India (9 per cent in each case).

4. Financial implications

45. As at the end of March 2008, the Procurement Task Force estimated the overall value of the contracts in which irregularities had been suspected to be around $630 million. The actual value of the losses incurred could not be determined. The Task Force was only able to identify clear losses of $25 million, of which $20 million relate to the same person.

5. Follow-up on Procurement Task Force investigations

46. Follow-up on Procurement Task Force investigations is not the responsibility of the Task Force. Nevertheless, it was analysed by the Board, as detailed below.

47. The Procurement Task Force reports contained 28 recommendations pertaining to disciplinary procedures, including some recommendations that no action be taken. Based on those recommendations and at the time of the audit, the Administration concluded that 17 staff members had been involved in misconduct and that seven of those persons had been dismissed.

48. Of the 28 recommended measures, 12 related to staff members from the Department of Peacekeeping Operations and 11 to staff members from the Department of Management. The other recommendations which had not yet been considered by the Administration at the time of the audit, related to staff of the United Nations Development Programme (4) and of the United Nations Children's Fund (1). Several cases remain open, as there are appeals in progress.

49. The Procurement Task Force recommended legal action in 13 cases; at the time of the audit, legal action had been taken in 5 of those cases. The Board was unable to ascertain the reasons for the lack of additional cases of litigation. In some instances, the Office of Legal Affairs estimated that the cost of the procedures proposed by the Procurement Task Force was in excess of the sums that the United Nations could expect to recover.

50. In several cases, implicated staff members were reproached for errors resulting not from criminal conduct, but rather mismanagement and, in particular, insufficient monitoring by supervisors of staff under their supervision who were now being investigated.

6. Sanctions on vendors

51. As at 31 March 2008, the number of vendors subject to sanctions, which generally consist of long-term or temporary exclusion from the list of companies authorized to participate in calls for bids by the United Nations, stood at 35. In this regard, it should be pointed out that the Procurement Task Force recommended lighter sanctions, which involved exclusion from the list for a limited period for those vendors that admitted to illegal conduct and agreed to cooperate with the Task Force. The Procurement Task Force now participates as a non-voting invitee in the

deliberations of the Vendor Review Committee. The PTF provides information relating to investigations and has contributed to the suspension of several vendors.

D. Procedures

1. Rules applicable at the outset

52. The Task Force's terms of reference state that the Procurement Task Force, as an entity controlled by the Office of Internal Oversight Services, must adhere to the OIOS mandate and to its Manual of Investigation Practices and Policies.

53. Published in 2005, the manual, stipulates in paragraph 14 that:

> An OIOS Investigations Division investigation, which is a fact-finding exercise completed prior to any decision by the Office of Human Resources Management to institute disciplinary or administrative action, is governed by the "due process" and "fairness" requirements of the resolution[1] and Bulletin[2] ... which obviously differ from the due process procedures required for disciplinary actions by administrative instruction ST/AI//371 on Revised disciplinary measures and procedures.

54. While it does not have the same legal standing as an instruction or a Secretary-General's bulletin, the manual is the most appropriate internal document on rules to be observed in the area of investigations. Other official documents contain additional provisions relating to the conduct of investigations, in particular the rules on staff and the report of the Secretary-General, dated 11 October 2000, entitled "Rules and procedures to be applied for the investigation functions performed by the Office of Internal Oversight Services" (A/55/469).

55. The notion of "due process during an OIOS Investigations Division investigation" is stipulated in paragraphs 47 to 61 of the investigation manual. The main points are:

(a) An investigation by the Investigations Division is not a disciplinary procedure, but rather an exercise intended to establish the facts. Article 1.2 (r) of the staff regulations states that "a staff member must respond fully to requests for information from staff members and other officials of the Organization authorized to investigate..." The General Assembly obliges all officials to cooperate with the Office. They cannot refuse to answer and are not entitled to the assistance of counsel during the ID/OIOS fact-finding exercise. The Secretary-General may consider any refusal to cooperate a violation subject to disciplinary measures;

(b) A staff member interviewed because of possible misconduct that he or she has committed has the right to be given a reasonable opportunity to put forward his or her version of the facts and to present evidence or witnesses. This means that when a staff member is asked to comment on an allegation, he or she must be aware of the scope of that allegation;

(c) The notion of due process means that, before the Office finalizes its report, the staff member must have been informed of the scope of the possible

[1] Resolution 48/218B.

[2] Secretary-General's bulletin ST/SGB/273 on the establishment of the Office of Internal Oversight Services.

misconduct of which he or she has been accused and must have had the opportunity to explain why his or her actions were proper and to present other evidence, explanations, information and witnesses;

(d) The Office does not publish the definitive text of its report without first having given the party concerned the opportunity to respond to its allegations. The Office examines the evidence and response of the person under investigation. If there are insufficient grounds to conclude that there has been wrongdoing, the Office will indicate this in its report;

(e) A staff member against whom evidence has been obtained is normally questioned by two investigators, who then prepare a written record of the interviews. A staff member who wishes to admit to a violation of a United Nations regulation, rule, directive or administrative issuance may be asked to prepare and sign a statement.

56. Moreover, paragraph 55 of the manual addresses the matter of fairness during fact-finding investigations, as follows: "the fundamental requirement of fairness during a fact-finding investigation is that the investigator has to approach it with an open mind. An investigator who has formed a concluded opinion on the issue prior to the start of an investigation must not undertake the investigation..."

57. As indicated above, the terms of reference make provision for all rules applicable to investigations by the Investigations Division to be applicable to Procurement Task Force investigations, with the following two "derogations":

(a) Persons being questioned are invited to sign the record of conversation;

(b) Without being in breach of confidentiality requirements, the head of the Procurement Task Force may inform senior management about the progress of an investigation with the intention of preventing further loss or damage to the Organization, provided that, such disclosure would not be harmful to the investigation.

2. Enhancement to the rules of procedure

58. Between mid-2006 and April 2007, the Procurement Task Force gradually added rules that were more favourable to the people being questioned. Those rules, which have not been formalized are as follows:

(a) The option to reread and sign records of conversation was extended to the employees of United Nations vendors questioned by the Procurement Task Force, if the Task Force so wished;

(b) Staff members under investigation were permitted to re-read certain items of evidence used by the Procurement Task Force as part of its investigation before the Task Force issued its final report;

(c) As at May 2007 onwards, staff members under investigation received an "adverse findings letter" before the issue of the final report, which listed the examples of conduct that came in for reproach;

(d) Staff members under investigation were permitted, if they so wished, to be accompanied by counsel.

59. This final point is worthy of closer analysis. This provision was added after a request made by a staff member to be accompanied by a lawyer was refused on the grounds that it was not permitted according to the Office of Internal Oversight Services investigation manual. The Office of Legal Affairs of the United Nations was consulted by the Procurement Task Force on the admissibility of the request and on 30 May 2006, it made the following distinction, traditionally made within the United Nations:

(a) Prior to the commencement of a disciplinary procedure, the staff member must provide the Investigations Division with his or her unconditional cooperation;

(b) Once a disciplinary procedure has commenced, a number of rights are granted to the staff member, including the right to counsel.

60. As the validation by the United Nations Administrative Tribunal of this distinction and its consequences for due process had not been considered a certainty by the Office of Legal Affairs, that Office considered that it had the possibility to expand, where appropriate, the rights of a person being questioned. This response explained the decision of the Procurement Task Force to authorize from June 2006 onwards staff members being questioned to be accompanied by the counsel of their choice.

3. Implementation of the rules

61. The Board emphasizes that it has no jurisdiction to rule on possible violations of due process by the Administration and that, as a consequence, the findings set out below do not prejudge the assessments that could be brought by the jurisdictions involved with the cases.

62. Within the limits of its review, which is based on a sample of seven reports, the Board did not find any violation of the rules of procedure as set out in the OIOS investigation manual.

63. All staff members questioned were notified in advance of the subject of the interview, at which two investigators were always present. All the staff members questioned were given the opportunity to re-read the record of conversation and, where appropriate, to correct it. The option of being accompanied by counsel was effectively used: in close to 10 cases, the Procurement Task Force, at various moments of the investigation, had to deal with the counsel of the staff members being questioned. Finally, the responses of the staff members to their "adverse findings letters" were automatically annexed to the Procurement Task Force report.

4. Analysis of criticisms of compliance with due process

64. As indicated above, the Board received or sought oral or written statements from people questioned by the Procurement Task Force based on the seven reports that were used in the sample. Although these interviews did not uncover violations of rules applicable to the investigations of the Administration, it was deemed useful by the Board to note in its report criticisms made by staff interviewed in order to analyse the reasons for them and with the intention of recommending improvements to the process.

65. Criticisms or wishes expressed by persons questioned by the Procurement Task Force and noted by the Board covered four areas:

(a) The absence of formalization, dissemination and, therefore, transparency in the rules followed by the Procurement Task Force;

(b) Conditions for the application of existing rules;

(c) The desire for additional rights;

(d) The clarification of the audit and investigative role of the Procurement Task Force and the applicable rules of procedure.

(a) Absence of formalization of the rules followed by the Procurement Task Force

66. Several of the staff members interviewed confirmed that they had requested access to the list of all the rules applicable to the Procurement Task Force investigations. The Task Force had not been able to provide such a list, owing to the mix of rules applicable to investigations by the Office of Internal Oversight Services and of new rules added by the Procurement Task Force. There was never a complete validated set of all of the rules. Moreover, while the OIOS manual, which was recorded in official United Nations documents, was easily accessible, the new rules set by the Procurement Task Force had not been made official and were therefore less accessible.

(b) Conditions for the application of existing rules

67. Most of the staff members questioned by the Procurement Task Force confirmed that they had been kept appropriately informed of the nature and framework of the interview by the investigators.

68. Certain criticisms which related to the duration of the interviews could not be corroborated. Opinion was divided between those who favoured a single interview (which, although long, would avoid the need for various trips), and those who preferred several shorter interviews. The duration of interviews was not always indicated in the record of conversation.

69. The number of investigators that could be involved in one single interview was also noted by staff interviewed as a cause for concern. Depending on the number of cases concerning the staff member being questioned, staff members may have been required to see several different investigators during the course of the same interview.

70. The turnover of investigators responsible for a case was another observation noted by the Board. The high rotation of staff within the Procurement Task Force may have led to the questioning of certain staff members in relation to a single case by two, or even three, different teams in the span of a year. According to the staff members under investigation, this frequent rotation led to interviews being conducted by investigators with limited knowledge of the rules of operation of the United Nations administration, particularly in the context of peacekeeping operations. In some cases, the credibility of the investigators was called into question by some experienced staff members interviewed by the Task Force when the investigators' lack of knowledge regarding the procurement process became apparent.

71. The Board is of the view that criticism of the lack of familiarity with the United Nations on the part of investigators is invalid in cases of violations of the

rules of the United Nations or criminal actions, but it is more relevant for cases in which investigators assessed the quality of management.

72. However, this criticism mainly concerned cases examined by the Procurement Task Force at the beginning of its activities, at a time when those of the newly recruited investigators coming from outside the United Nations necessarily had limited knowledge of United Nations processes and procedures. Several factors later led to a reduction in that lack of knowledge, including the recruitment of investigators from the United Nations and the training and experience acquired during the course of investigations.

73. The opportunity to reread the records of conversation was seen as positive by the staff questioned. However, the time that elapsed between the interview and the option to read and sign the record of conversation may have been considerable in a few instances (periods of four or nine months were observed) and increased the risk of a staff member not being able to effectively recall the conversation.

74. The Board noted that the adverse findings letter, which constitutes an additional guarantee granted by the Procurement Task Force, could be improved. Currently, it documents the general context of the allegations made against a staff member and the rules or regulations that were allegedly breached by that staff member. In most cases, however, it fails to provide the evidence supporting the findings, thereby rendering it difficult for the staff member to form an appropriate rebuttal. In other cases, it goes so far as to provide the draft text of the report related to the staff member in question, thereby creating an opportunity for him or her to build a stronger case.

75. The time given to the staff member being investigated to respond to the adverse findings letter varies and is sometimes particularly short (four days in one case). Admittedly, in numerous cases, extensions were sought and always given; however, in one case, the deadline to provide a response was given after the release date of the report, thus depriving the staff member concerned of the opportunity to have his or her comments taken into account.

(c) The desire for additional rights

76. Staff members questioned by the Procurement Task Force and interviewed by the Board strongly expressed their desire to be informed of any change in their status according to which they were questioned. Staff members could have been interviewed by the Task Force either as witnesses who were to provide an account of the organization of the service or procedures presumed to be contentious, or else they were considered to be involved as staff members who could be implicated as part of a personal investigation. This information is sometimes given orally by the Procurement Task Force but is never formally stated.

77. Similarly, staff members questioned by the Task Force and interviewed by the Board wished to be able to access information relating to the follow-up of their interviews, regardless of whether they had been cleared or suspected of any wrongdoing or crime.

78. It should be remembered that, according to the rules of the United Nations,[3] the Procurement Task Force is not permitted to give this information to a staff member under investigation nor to let him or her know that he or she is no longer under suspicion; instead, it is the role of the head of the programme of which the staff member is a part. Nevertheless, this information was rarely passed on to the persons concerned.

79. It is only in the event that the Office of Human Resources Management conducts a disciplinary procedure that the staff member under investigation receives the Procurement Task Force report and all documents that serve as the basis of allegations made against them.

80. In particularly long proceedings, emphasis must be placed on the uncertainty that was faced by staff members who did not know whether they had been cleared or accused of adverse findings, and what those adverse findings were.

(d) Criticisms related to the confusion between investigation and other procedures

81. The investigations of the Procurement Task Force are distinct from disciplinary, criminal or audit procedures. Nevertheless, the Board found that, although staff members had been duly informed of the framework within which they would be questioned, they were still confused about the different procedures.

82. The administrative nature of the Procurement Task Force investigations implied that the persons questioned would not keep a record of conversations or of documents submitted or exchanged during the proceedings. Nevertheless, the feeling among certain staff members was that the interviews had a legal nature. This led them to demand access to those documents and explained the large number of refusals to sign interview reports, given that the staff members in question were not permitted to keep a copy of the documents.

83. Moreover, some staff members were surprised by the investigative methods used, which they considered to be rude and not appropriate for issues related to mismanagement, which could be more properly dealt with in an audit.

84. The larger scope of guarantees given during a disciplinary procedure explains why staff members questioned whether the Task Force investigations were disciplinary in nature. The main objective of administrative instruction ST/AI/371, dated 2 August 1991, on disciplinary measures and procedures was to act as a reminder of due process in the event that a staff member was suspected of misconduct. In the instruction, the definition of misconduct set out in staff rule 110.1 is recalled to be "the failure by a staff member to comply with his or her obligations under the Charter of the United Nations, the staff regulations and rules and other administrative issuance, or to observe the standards of conduct expected of an international civil servant". A definition is provided of a failure to meet expected standards of conduct and includes, in particular, theft, fraud and harassment. The instruction states that, within this framework, if the Assistant Secretary-General, after completion of the preliminary investigation, decides to pursue a disciplinary proceeding, that proceeding must comply with the following requirements:

[3] See paragraph 5 (c) (v) a of resolution 48/218 B, paragraph 19 of Secretary-General's bulletin ST/SGB/273 and paragraph 19 of document A/55/469.

(a) The staff member must be informed of allegations made against him or her, and of his or her right to respond to those allegations;

(b) A copy of the documents that serve as the basis of allegations made against the staff member must be provided to the staff member in question;

(c) The staff member must be informed of his or her right to receive counsel from another staff member or a retired staff member to assist them in their response to the allegations made against him or her; he or she must also be provided with information on how to benefit from that assistance.

85. At present, the Procurement Task Force cannot meet the last two conditions, since it is not part of the framework of a disciplinary procedure as stated in paragraph 14 of the investigation manual of the Office of Internal Oversight Services.

86. Persistent confusion among people subject to investigation calls for the provision of more and specific information. In addition to the directives already mentioned, it would be advisable that the staff member being investigated be warned of any change in their "status" during the investigation, for example, from that of a witness to a potential respondent.

5. Communication and respect for confidentiality

87. The rules regarding the confidentiality of investigations conducted by the Office of Internal Oversight Services are clearly stated in the manual of investigation. In the manual, it is stated that "it is a basic principle of investigative methodology and fairness that an ongoing investigation be confidential" (para. 39).

88. The Board also noted the great care taken by members of the Procurement Task Force to guarantee the security and confidentiality of documents used in investigations in their offices. Nevertheless, the fact that press outlets disseminated certain confidential information relating to Task Force investigations at the end of 2007, without it being known how these outlets obtained that information, demands that the Administration must become more vigilant to prevent the breaching of confidentiality of its work.

E. The future of the Procurement Task Force

89. Requirements for the Task Force to continue its operations until 31 December 2008 are in place, but it will cease to exist in its current form in accordance with its provisional status.

90. In the report entitled "Strengthening investigation" (A/62/582), the Administration outlined plans to preserve the competencies and experience of the Procurement Task Force by incorporating them into the existing Investigations Division. The Board is of the view that the reinforcement and restructuring of the Investigations Division should be accompanied by a review of the investigative function of the United Nations as a whole.

F. Recommendations

91. **In the light of the Board's analysis of the operations of the Procurement Task Force as contained in the present report and the temporary nature of the Task Force, and in view of the decision of the General Assembly in its resolution 62/234 to conduct an overall review of the capacity of the Investigations Division of the Office of Internal Oversight Services of the Secretariat, the Board recommends that the Administration:**

(a) **Incorporate into the permanent investigations system of the United Nations the skills and competencies of the Procurement Task Force, as well as the lessons learned from its operations;**

(b) **When implementing the recommendation above, review the investigative function in the United Nations as a whole;**

(c) **Use the investigation procedure very cautiously, only when there are well-founded suspicions that rules have been broken and only after all other reasonable actions (managerial decision, audit, etc.) have been duly envisaged;**

(d) **Standardize and consolidate the rules and procedures applicable to all investigations in the United Nations under an instruction of the Secretary-General, and ensure that such instruction be systematically given to the staff interviewed;**

(e) **Ensure a proper handing over of pending investigations when the Procurement Task Force ceases to operate.**

G. Acknowledgements

92. The Board would like to extend its sincere thanks to the Director and all the staff at the Procurement Task Force for their openness and availability, as well as for the speed and quality of their responses to questions during this audit.

(*Signed*) Philippe **Séguin**
First President of the Court of Accounts of France
(Chairman, United Nations Board of Auditors, Lead Auditor)

(*Signed*) Terence **Nombembe**
Auditor-General of the Republic of South Africa

(*Signed*) Reynaldo A. **Villar**
Chairman, Philippine Commission on Audit

30 June 2008

Annex

Terms of reference of the Procurement Task Force

Following the recent identification of procurement problems in the United Nations Procurement Service notably, including the investigation by the Office of Internal Oversight Services (OIOS) of former procurement officer Alexander Yakovlev, which has resulted in his arrest and conviction, the OIOS Investigations Division established a small working group to spend three months in addressing a number of outstanding procurement cases. The Department of Management had expressed particular concerns about the operations of the United Nations Procurement Service and sought to also have an external audit performed by Deloitte & Touche.

After several weeks of work by the Investigations Division group and management concerns about the operations and supervision of the Procurement Service arising from the audits by OIOS and the external audit by Deloitte, meetings between OIOS and United Nations senior managers led to the following decisions:

1. The problems identified in the United Nations Procurement Service were of such a magnitude that they needed to be addressed in a comprehensive way. In this regard it is hereby decided that the management and conduct of all cases, whether past, present or future within the Investigations Division concerning procurement, either in whole or in part, shall be transferred to the Task Force (the rationale for this decision is more fully explained in the note attached to these terms of reference).

2. The Investigations Division recommendation for a longer (six months) and expanded (18+/- investigators) Task Force on procurement matters should be approved with the necessary funding provided by the Department of Management.

3. Such Task Force should report directly to the Under-Secretary-General for Internal Oversight Services to ensure attention at the highest level of OIOS.

4. The Department of Management's questions regarding the prior inquiry (case No. 0125/03) into one procurement case should be reviewed and, if necessary, reinvestigated by staff from the European Anti-Fraud Office.

5. The Task Force, in consultation with the Under-Secretary-General for Internal Oversight Services, will determine which cases it accepts for investigation and the priority that should be accorded such investigations.

6. The Task Force is mandated to investigate or reinvestigate all closed, existing and new cases, matters or allegations concerning procurement. For avoidance of doubt, this is not confined to the United Nations Procurement Service at Headquarters.

Assignment

As discussed above, the Task Force, in setting priorities on investigations, will have regard to such factors as criminality, financial impact, damage to the reputation of the organization and other assessment factors, as per the risk assessment profile.

The Under-Secretary-General for Internal Oversight Services may assign other tasks as she deems necessary and appropriate.

Output

The Task Force will provide a strategic plan to the Under-Secretary-General for Internal Oversight Services for the implementation of the assignment by 17 February 2006, which will provide a listing of the priority cases, an estimate of the time needed to complete in work-hours, and timetable for interim reports.

The Task Force will provide an interim report to the Under-Secretary-General for Internal Oversight Services on the first of every month which will provide an update on each of the cases, including any change in status or timetable and an explanation for such. Where the Task Force considers it appropriate, additional interim reports will be provided on any significant development in individual cases.

As each priority case is completed, a draft final case report will be provided to the Under-Secretary-General for Internal Oversight Services. In addition, at the completion of the Task Force, a United Nations Procurement Service corruption assessment report will be provided to the Under-Secretary-General for Internal Oversight Services.

The Under-Secretary-General for Internal Oversight Services will decide which of those reports will be provided to management and which may be provided to the General Assembly, and in what form.

Supervision

The Task Force will have a Task Force Leader who will report directly to the Under-Secretary-General for Internal Oversight Services. The Leader will make recommendations for operations and activities of the Task Force to the Under-Secretary-General for Internal Oversight Services, who will direct the Task Force. The Task Force Leader will participate with the Under-Secretary-General for Internal Oversight Services in the weekly meeting convened by the Under-Secretary-General Chef de Cabinet to discuss the work of the Task Force. The Task Force Leader may designate a deputy and/or team leaders within the Task Force as appropriate once the Task Force is fully constituted.

The Task Force head will report directly to the Under-Secretary-General for Internal Oversight Services, but the Under-Secretary-General for Internal Oversight Services may designate a member of her office as responsible for the regular contact of the work of the Task Force so that routine matters may be resolved and to ensure that it is proceeding on schedule and as planned; that any problems are quickly identified and resolved; that operational difficulties are resolved.

Discussions on the conduct of the investigations as well as any legal or political problems will need to be held at least biweekly, highlighting sensitive issues or problems as key issues arise for the consideration and decision of the Under-Secretary-General.

The Under-Secretary-General and the head of the Task Force will agree on what matters will be brought to her immediate attention.

Operations

The Task Force will adhere to all United Nations rules, regulations and administration issuances in the conduct of their work and will follow the Uniform Guidelines for Investigations. They will adhere also to the OIOS mandate and to the OIOS Investigations Division manual posted on the OIOS website.

The two derogations from the above are as follows, and are confined uniquely to the Task Force for the time it is in operation:

1. From the date of entry into force of these terms of reference, all persons interviewed by the Task Force will be invited to sign a record of such interview. This requirement is more fully elaborated on in the OIOS Investigations Division manual. The record of the interview must be an accurate reflection of all matters discussed but need not necessarily be verbatim.

2. The Task Force Leader or his or her designate will not breach the confidentiality requirements as set out in operating procedure B if he or she informs senior management about the progress of an investigation with the intention of preventing further loss or damage to the Organization, provided that, in doing so, such disclosure would not be harmful to the investigation.

The Task Force will establish its own operations, files and systems to ensure that the confidentiality provisions of the mandate are followed. All material collected by the Task Force and non-public documents will be maintained under strict confidentiality, save and except as provided for in item 2 above. Safes and other security elements will be employed in the Task Force and in the office of the Under-Secretary-General.

The administrative functions will be performed by the OIOS Executive Office to include managing the financial resources, hiring staff and arranging for purchases, with assistance from support staff recruited for the Task Force. All recommendations for recruitment and for expenditures must be approved by the Executive Office.

Staffing

The Task Force will undertake its own recruitment of persons or firms which fill its needs. Two members of the Investigations Division (one each from Nairobi and Vienna) who had been part of the initial phase will be assigned to the Task Force until 30 March. However, the Under-Secretary-General for Internal Oversight Services will review the need to extend this posting to the Task Force and take such action as she considers appropriate, having regard to the progress of the investigations.

All those working in the Task Force will be required to sign confidentiality agreements which will be retained either in their personnel files if they are staff, or with the contract documents if they are firms or contractors. All contracted personnel who are involved will be required to sign the same confidentiality agreement. Penalties for violations will include debarment from doing any work in the future for any United Nations entity, denial of future employment opportunities, publication of violations on the OIOS website and immediate withdrawal or termination of any contract or other agreement for services.

Relationship to the Office of Internal Oversight Services Investigations Division

It is agreed that the management of the Office of Internal Oversight Services Investigations Division will have no responsibility for the Task Force. However, it is to be clearly understood that the Task Force remains a part of OIOS and in that regard the OIOS Investigations Division shall provide all such assistance to the Task Force as is necessary. Without limiting the above, this assistance shall include the assistance of Investigations Division investigators working at duty stations in and away from New York.

As far as access to the documents, databases and files of the Investigations Division is concerned, the Task Force investigators are to be subject to the same access, rights and obligations as those afforded the investigators of the Investigations Division.

Conclusion of the Task Force

Any matters which are within the terms of reference of the Task Force but which remain either incomplete or require follow-up action will be separately reported to the Under-Secretary-General for Internal Oversight Services, who will decide on further action and assignments. All of the materials collected by the Task Force will be provided to the Under-Secretary-General for Internal Oversight Services at the completion of the term of the Task Force.

These terms of reference come into effect on 12 January 2006.

(*Signed*) Inga-Britt **Ahlenius**
Under-Secretary-General for Internal Oversight Services
United Nations
12 January 2006

Explanatory note to the terms of reference of the Procurement Task Force

There are presently cases within the Investigations Division concerning procurement which are managed by the two Unit Chiefs. The creation of a new Task Force with dedicated responsibility for procurement cases risks duplication of effort and failure to note connections between suspect persons or companies unless all cases concerning procurement are brought within the purview of the Task Force. Although the initial objective was for the Task Force to concentrate on a number of main cases concerning procurement, it has now been decided that its remit should be to undertake a comprehensive review of all allegations in the area of procurement whether deriving from United Nations Headquarters or elsewhere.

To give best effect to this enlarged responsibility and acknowledging the hazards of having multiple groupings within the Investigations Division dealing with procurement matters, particularly when there is a specially constituted Task Force, I consider it to be more effective and efficient to assign and entrust all procurement cases to the Task Force.

There is no distinction to be drawn between the Task Force and other parts of the Investigations Division, except that the cases in the Task Force are confined to those concerning procurement. Without limiting the overall direction that all cases concerning procurement are to be transferred to the Task Force, it is acknowledged that there will be instances where it is more practicable, more efficient and likely to produce a faster outcome of an investigation if the case is pursued by Investigations Division investigators other than those assigned to the Task Force. Equally there will be from time to time investigative steps which the Task Force will ask non-Investigations Division Task Force investigators to undertake because they are there on the spot, available or well versed in the matter. In these circumstances, it is expected that all members of the Investigations Division, whether Task Force or not, will use common sense and good judgement to ensure that the most effective way of proceeding is followed. In these circumstances any investigative steps taken by non-Task Force investigators should be agreed between the Unit Chief and the Procurement Task Force Leader.

(*Signed*) Inga-Britt **Ahlenius**
Under-Secretary-General for Internal Oversight Services
12 January 2006